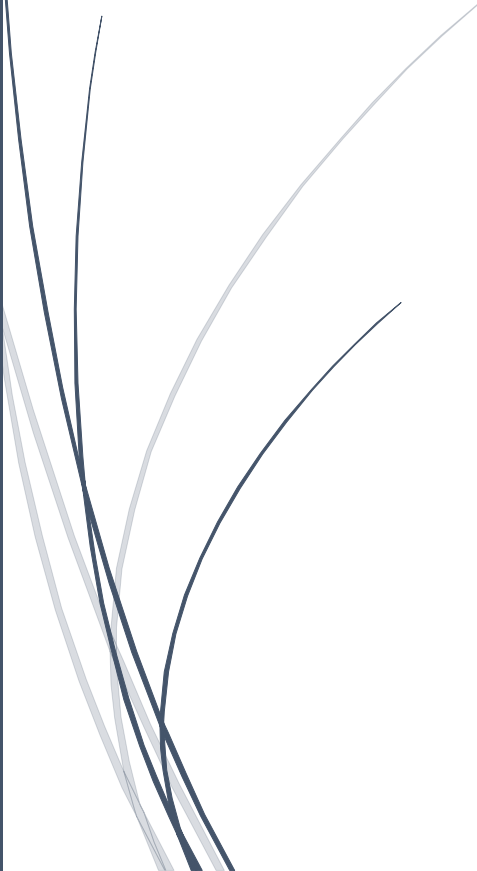




2017/18

# Pre- Budget Submission

Submitted on behalf of ACIFA



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## Introduction

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The Alberta Colleges and Institutes Faculties Association (ACIFA) currently represents the faculty associations (FA's) of 12 Colleges, 2 Polytech Institutes and 1 Baccalaureate university in Alberta. Specifically, ACIFA represents the FA's of MacEwan University, NAIT and SAIT, Red Deer College, Olds College, Medicine Hat College, Lethbridge College, Grand Prairie College, Northern Lakes College, Lakeland College, Portage College, Norquest College, Bow Valley College, Keyano College as well as the Alberta College of Arts and Design.

ACIFA represents approximately 6,000 individual faculty members, serving approximately 140,000 students.

## Overview

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Oil prices are on the rebound. That will ease the tightness in public revenue experienced over the past two years. ACIFA wants to express appreciation to the Alberta government for not destabilizing the Post-Secondary Education (PSE) system through funding cuts over this period. Thank you for not applying nearsighted fiscal management to address a short term revenue problem which is about to self-correct. Funding cuts would have caused problems in the PSE system in Alberta which would have taken years to recover from. The PSE system is still recovering from the painful 7.3% budget cuts back in 2012. It negatively affected core programming, led to program cuts, layoffs and bigger class sizes. By not putting the PSE sector through a similar destructive process of budget cuts over the past two years, the PSE system is healthier and more robust.

The government's decision to back-fill, via increased operating grants, the budget shortfalls of PSE institutions in compensation for the gap caused by the continued tuition freeze, is also a decision ACIFA applauds. The shortfall in institutional budgets could clearly have undermined quality post-secondary education. ACIFA strongly supports the principles of affordable, high quality post-secondary education for all Albertans. However, these principles should be achieved simultaneously. Achieving affordability at the expense of high quality is not serving Alberta. Achieving one principle at the expense of the other undermines all.

The PSE system's optimal functioning depends on stable, predictable funding. Now that government revenues are about to recover, ACIFA requests that funding to our PSE institutions' operating grants continue to be increased by 2% per year to compensate for inflationary pressure.

## Benefits of advanced education

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Money spent on post-secondary education should be considered an investment, not an expense, because of the tremendous **benefits** that advanced education has for Alberta society. These include:

- Diversifying Alberta's economy is the best way to shelter the province against oil price volatility. The PSE sector plays a central and irreplaceable role in equipping the labour force with skills necessary to diversify the economy
- Innovation sparked by the activities in our institutions
- Enhanced quality of life through the broad spectrum of arts, sciences, technologies and business as explored in our post-secondary institutions

- Greater cultural and skill diversity in our communities
- Crime reduction and health improvements in a society that spends more on PSE
- Greater financial rewards for graduated student careers, benefiting the provincial economy as a whole
- Enhanced capacity for creativity amongst graduates, enabling them to assist maximally in addressing our social, technological and environmental issues

## RECOMMENDATIONS

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ACIFA's 2017-18 budget recommendations are intended to protect quality and affordable post-secondary education in Alberta. ACIFA therefore recommends the following points of departure for the upcoming provincial budget regarding the PSE sector:

- The benefits (see the list above) that advanced education has for Alberta's society can hardly be overstated.
- Spending on PSE leads to a higher return than spending on almost anything else. It is necessary to weigh the benefit or "return on investment" of the various services funded by the Alberta government. Every dollar invested in PSE education generates a higher rate of return to society than any other public service.
- The positive economic impact of PSE School on towns and cities across Alberta cannot be overstated.
- Even though the current rebound in the oil price is likely to relieve pressure on government cash flow in the coming year the main issue, namely tax reform, still needs to be addressed.

## Principles to guide the funding model:

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ACIFA is mindful that the government is in the process of doing a funding model review for our sector. The funding model which gets decided on will have budget consequences, therefore we would therefore like to repeat the principles which we recommend as guide for any funding model.

- Funding levels should be sufficient to maintain, strengthen and protect core mandates.
- Funding levels should be stable and predictable to allow for timely planning.
- Funding should not be punitive and should focus on the long-range health of a balanced, healthy society. Allocating resources efficiently cannot mean that post-secondary institutions face the continuous threat of losing funding when, due to circumstances beyond their control, they are unable to meet annual performance targets.
- Funding should be fair and equitable. Aligning funding to core mandates will lead to this. This should include the impact that post-secondary institutions have on their community.
- The allocation of resources among institutions should guard against the development of wide variation of quality across the system.
- Funding levels should be sufficient to prevent continued casualization of academic work.

- Should the funding model review lead to the development of an amended funding formula for the PSE system, it should be easy to understand and administer. A funding formula should add to transparency and should not be one that can be easily “manipulated”.